

# Celcom (malaysia) sdn bhd essay sample

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Celcom (Malaysia) Sdn Bhd, a Technology Resources Industries (TRI) Bhd company has been the leading mobile cellular operator in Malaysia for the past 10b years. Celcom's main business activity is to develop and market Mobile Service such as Celcom GSM and ART 900 and Fixed Services such as Direct Connect, Leased Lines, Equal Access and Virtual Private network (VPN). Within Celcom's short history in the telecommunications business, it has ventured into value-added services, the latest being multimedia. Celcom Axiata Berhad provides mobile communication services for cutomers in Malaysia. It offers voice, mobile broadband and email, roaming, and IDD services, as well as telemetry and fixed wireless desk phone solutions. The company also provides a unified messaging service that allows users to view a fax message via Web; and Aircash services, which provide instant access to money via client's mobile phone. Celcom Axiata Berhad was formerly known as celcom (Malaysia) Berhad and changed its name in December 2009. The company was founded in 1988 and is headquartered in Kuala Lumpur, Malaysia. Celcom Axiata Berhad operates as a subsidiary of Axiata Group Berhad.

#### COMPANY BACKGROUND

Celcom started its operation as STM Cellular Communication in 1988 with Fleet Group and Telekom Malaysia as shareholders. Subsequently Telekom Malaysia sold its 51% shareholding to the TRI group which was controlled by Tajuddin Ramli. Fleet Groups share meanwhile was transferred to the time Engineering group which was later sold to TRI. In the initial years celcom experienced a tremendous growth in subscriber base and network coverage under the stewardship of Rosli Man, the President of the company. It was

during his tenure that celcom turned into the leading cellular companies in Malaysia. He left celcom in 1996. When the cellular phone market was opened up in 1995, celcom upgraded to the GSM900 service and quickly grew to become the largest mobile phone company in Malaysia. Competition soon sets in and several digital mobile telcos compete for market dominance. It was the age of the phenomenal growth of mobile services. During the Asian financial crisis in 1997, Celcom's owner, Tan Sri Tajudin Ramli suffered a debt crunch, and his shareholding in Celcom was seized by Danaharta, the national asset restructuring company.

Failure to resolve his debts resulted in the controlling stake in celcom being sold to Telekom Malaysia, the government-owned incumbent fixed line operator in 2003. Telekom Malaysia proceeded to merge celcom with its own mobile-operator subsidiary TMTouch through a reverse takeover of TMtouch. Celcom was originally listed on the Bursa Malaysia, but after the merger with Telekom Malaysia Berhad, it has since remained private. Owing to the bad management of its former management celcom was as found liable by an arbitration panel in Switzerland for infringing an agreement signed with Deutsche Telekom AG's unit, Deteasia in 2002. Celcom is one of the largest telecommunications service providers in Malaysia and the region. Its core business remains prepaid and postpaid mobile voice services. Celcom has also achieved significant growth in mobile broadband, m-commerce, enterprise solution and bulk wholesale services. Celcom continues to have the widest network coverage in the country. Through ongoing investment in network coverage, capacity and performance, celcom intends to maintain its

technology leadership and position as the country's best mobile service provider

## ORGANIZATIONAL STRUCTURE

Shazaili was appointed Chief Executive Officer and Director of celcom on 1 September 2005 while Narain Singh Sidhu is a Chief operating officer of celcom Axiata Bhd. Suresh is currently the Chief corporate and operations officer of celcom. He has been with the Axiata group since 2009. Chrari TVT is a CFO at celcom. Mohamad Farid b. Mohamed Yunus is a Strategy and Business Transformation at celcom. Azri Abdul Rahim is a Chief people Officer at celcom. Afizulazha Abdullah is Chief operation Advance Data at celcom. Anuar bin Rozhan is Chief Solutions officer at celcom. Noor Kamarul Anuar Nuruddin is a Information Technology and Transformation at celcom. Zaiman Aefendy Zainal Abidin is a Senior Vice President of Marketing at celcom. Eric Chong Tiong is a Chief Sales and commercial officer at celcom. Abdul Satar Mohamed is a Chief Network Officer at celcom, Jefri Ahmad Tambi is a Regional Operation (SABAH & SARAWAK) at celcom.

Nor Kamarul Anuar Nuruddin its mastermind behind the widest coverage and best network was entrusted to continue his current role as CTO. Ericson has been celcom's long standing Spare Parts Management Service (SPMS) partner since 2000. For celcom, the SPMS contract from Ericson offers a future-proof spare parts handling model, which meansthat it can adopt the latest features very quickly, an important way to improve its competitive position. Celcom has several branches in Johor and Juman Resources department play important roles in their company. All department in Johor

Bharu use IT in their daily management. For example celcom use meeting conference and e-meeting in their organization. In order to spread information they use BBM, sms and email. BUSINESS MISSION AND VISION

- \* To delight customers.

- \* To build a profitable enterprise that maximizes investors return.
- \* To empower, develop and reward people, to become Malaysia's preferred employer.
- \* To build win-win relationship with all our business partners, based on mutual trust, respect and support.
- \* To work to bridge the digital divide, to build our nation and to enhance its standing abroad.
- \* To maintain the highest levels of transparency, integrity and professionalism.

Together with all stakeholders, it will make Celcom Malaysia a premium brand: a brand that symbolizes the spirit of freedom, aspiration, confidence, dynamism, timelessness, universality and globalism. (Celcom Official Website, 2009).

#### SITUATIONAL ANALYSIS.

In business for twenty years, celcom was founded as a telecommunications service provider and has evolved into high quality telecommunications provider across the Malaysian market. Dato' Sri Jamaludin Ibrahim was appointed as director/chairman of celcom (Malaysia) berhad on 25 April 2008. He is currently the president and group chief executive officer of Axiata group berhad (formerly known as Tm International Berhad). (Celcom Official Website, 2009)

#### MARKET SUMMARY.

## 1. COMPETITIVE FORCE.

The competition in the specialty advertising industry is very strong both on local, regional and national level, making the Celcom the market leader in Malaysia. Following the sales strategy developed by their local rivals, celcom Malaysia has improved their competitive level, through developing many telecommunications feature, providing quality services at considerable price. The competition in the telecommunication industry is very high with the latest introduction of a new telecommunications service provider (U-mobile). Celcom has reduced the cost of sms from 50 cent to 25 cent and reduced the cost of call from 35 cent to 20 cent per minute. Many other competitive measures are expected to enter the market soon as well. (Williams & Ferrell 1997, p. 600)

## 2. BARRIERS TO ENTRY.

Basically in Malaysia, telecommunication service is not an oligopolistic business. There is full freedom of entry once the company have meet up with the requirements and is ready to fulfil the government obligations. There are many telecommunications service providers in Malaysia, ranging from local service providers to international service providers. This makes the industry a purely competitive market. Nevertheless, celcom has understood the need to make customers satisfied and providing not just what they need today, but what they will need in the future. Through advancing technology, they have made it difficult for small companies to enter the market, thereby, creating barrier to entry for other small companies. (Williams & Ferrell 1997, p. 600)

### 3. BUYING POWER (CUSTOMER).

In today's society, consumers have less time for work and leisure. The hallmark characteristics for today's product are convenience and ease-of-use. In fact, if the product does not save time and is not easy to use, customers will simply ignore it. Such is the same for Malaysian market. The customer's ideology of "quality service – less price" is still the ruling key to purchase. Understanding this is basics in every industry. Have been provided with many choices, the consumers in Malaysia normally go for the best service that offers the least price. (Williams & Ferrell 1997, p. 600).

### 4. PURCHASING POWER (SUPPLIER).

Technology plays the most important role in this sector of the Malaysian market. Manufacturers understand the consequences of delayed supply, or insufficient supply when the demand and market price is high. This is why they make use of the best technology available to provide quality service to their customers. Many suppliers in Malaysia are more capital oriented than service oriented. This means that they can only provide you with the best for the highest cost that is a "more-for-more" marketing strategy. 5. POLITICAL FORCE.

There are no expected political influences or events that could affect the operation of celcom in Malaysia. This is because; celcom is a registered company and functions under company provisions act of the Malaysian law. (Williams & Ferrell 1997, p. 600).

### 6. TECHNOLOGICAL FORCES.

Celcom currently offers the best broadband network in Malaysia. Technology is the fastest growing market trend nowadays. To maintain their position as market leader, celcom has enhanced their products technologically to keep the Malaysian telecommunications updated with ever technological advancement. (Williams & Ferrell 1997, p. 600).

## 7. CURRENT MARKETING OBJECTIVES AND PERFORMANCE.

Celcom sends personal sales representatives to market their products on potential customers and create service concepts for their business or choice of order. Specifications are then sent to suppliers. This enhances more customer loyalty and relationship with the company. Although some of the customers do go on credit, of the annual sales are obtained from this form of marketing sales and this is designed to reach their objectives of being the market leader and providing quality services for the customer and profit to the company in return. This is a potential advantage they have over their competitors as well. Celcom's current marketing strategy to maintain customer-company relationship with potential customer.

## ADVANTAGES.

- \* Celcom maintains a product differentiation strategy resulting from a strong market orientation, commitment to high quality, and customization of products and services.
- \* There is little turnover among well-compensated employees who are liked by customers. The relatively big size of the staff fosters communication and quick response to client's needs.



- \* A long-term relationship with the primary suppliers results in shared knowledge of the product's requirements, adherence to quality standards, and a common vision throughout the development and production process.
- \* The high percentage of sales, suggest a satisfied customer base as well as positive word of mouth, which generates new business per year.
- \* Being the oldest telecommunications service provider in Malaysia, has given celcom a competitive edge and increased customer's trust and loyalty to the brand.

#### DISADVANTAGES.

- \* Celcom's current facilities are crowded; there is little room for new employers or equipments to fit into the company.
- \* Celcom is reactive rather than assertive in its marketing efforts because of its heavy reliance on customer's reaction for product satisfaction.
- \* While the staff size improves growth and communication, it also impedes commitment on the side of the staff and lack of specialization.
- \* Both the product line and the client base lack diversification. Dependence on current recorder rates could bleed complacency, invite competition, or create false sense of customer satisfaction. Development of a product that would provide better quality service by the competitors would probably put celcom out of business.

- \* The non-seasonality of the products and services creates bottleneck in productivity and cash flows, places excessive stress on the personnel and strains on the facility.
- \* The poor niche market could be a competitive advantage for their competitors to gain an advantage over them, and this could lead to a dramatic decrease in customer's loyalty.
- \* High cost of products and service could alter the buying power of the consumers, especially in this time of global recession.

#### RECOMMENDATION.

In order to compete with their competitors and survive in the market place, celcom need to make sure that their system and managing is the best among the others. The first recommendation to improve the business of celcom is by build their system effectively and efficiently. It can be achieved by study of the internal and external environment of market place. By using this method, celcom can improve their sales and productivity. For example, other than using IT help Desk to improve internal environment, celcom also can modify their process flow and notification so that it can be faster and easier. Besides that, Celcom also need to improve their coverage. There are a few areas that still face with the problem of coverage. Do the case study more frequently to recognize the changes that happen in the public. Increase the limitation for every base station if necessary in order to make customers can excess to the internet more easily without coverage problem. The other recommendation is by create and increase the loyalty of the customers.

Celcom can make a loyalty program such as a special club for their user. Offer more discount to the customer by creating a celcom customer card. The longer the customers stay using celcom, the more they will get the discount. So, by using this method customer will be more interest to celcom rather than others.

## CONCLUSION.

Information technology is very important in all industries especially celcom, the eldest telecommunication company in Malaysia. Without information technology, it will be very hard for people to reach out with each other. To conclude, celcom is one of the market leaders in the industry. Currently celcom provides many products and services that suites different customer needs, ranging from economies, business, and family and leisure satisfaction. Without information technology, celcom will not be able to grow and become one of the most successful companies as it is right now. In addition, information technology does effect its daily operation as it makes the business process more convenient, organized and save more time. Moreover, as more and more Malaysians look for ways to keep in touch with each other, celcom's popularity and quality services has helped draw more customers relationship and brand loyalty as well as able to compete with other industries such as Maxis, Digi and uMoblie for a better network coverage and generate more revenues in the future.

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